



**For
Employers**

Montana Public Employee Retirement Administration (MPERA)

Spring 2008

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Governor**

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Retirement Board**

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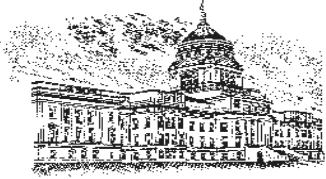
**Should any information in
this newsletter conflict with
statute or rules, statute or
rules will apply.**

This annual newsletter provides information to agencies who are covered under the following retirement systems administered by the Montana Public Employees' Retirement Board (PERB):

- Public Employees' (**PERS**)
- Highway Patrol Officers' (**HPORS**)
- Game Wardens' and Peace Officers' (**GWPORS**)
- Firefighters' Unified (**FURS**)
- Judges' (**JRS**)
- Sheriffs' (**SRS**)
- Municipal Police Officers' (**MPORS**)
- Volunteer Firefighters' Compensation Act (**VFCA**)

Looking Ahead to Fiscal Year 2009

As the 2008 fiscal year draws to a close, we at MPERA would like to take this opportunity to give you, the agencies who report to our retirement systems, a brief look at what to expect in the coming months.



Beginning April 1, 2008, MPERA is phasing in a process for agencies to report **all** of their employees regardless of retirement system membership. This does not include any position reported to **and** paying contributions to TRS, or university system employees (academic and professional staff) who are eligible only for the ORP. The requirement to report all employees has been in statute since 2001. It is very important for agencies to start reporting all employees for numerous reasons, including the ability to ensure accurate membership and benefit provisions. More information will be made available in the coming months through letters, our year-end memo and on our website at <http://mpera.mt.gov>.

The MPERA Employer Handbook is being updated. This guide to reporting payroll and other necessary information will initially be available on our website and a hard copy will be sent out soon after. Be looking for it this spring.

As most of you know, MPERA's database manager Mary Badgett (formerly Mary Popp) retired last October after many years of service. Shelly Pardis accepted the database manager position. Shelly's knowledge and professionalism are a great asset to MPERA. She will be assisted by Diana Stitt. Please feel free to contact either Shelly or Diana with your reporting questions.

Finally, a big thank you to member agencies for helping MPERA successfully serve our members.

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PERS Optional Membership

Even though most new employees in PERS-covered positions must become members, there are some exceptions. PERS membership is optional for a new employee that meets one of the following qualifications:

- **Non-member** who works less than 960 hours per fiscal year.
- Employee directly appointed by the Governor.
- Employee of the legislative branch, working 10 months or less, performing work related to

the legislative session.

- Chief administrative officer of a city or county.
- New employee of a county hospital or rest home.

If a new employee in one of the above optional membership categories is already an existing PERS member, they must continue their membership. Employees who qualify to be optional members **must** complete and file the "Optional Membership" form with MPERA within 180 days of initial PERS-covered employment. For Optional Membership forms, contact MPERA.

Retirees Returning to Work

Did you know that approximately 60% of the state's current workforce is eligible to retire? As employees prepare to retire, some may consider returning to work in a limited capacity. Retirees can be invaluable for their experience and knowledge. Before you hire a retiree, they **must** meet the following qualifications: terminated their employment with no prior agreement to return to work; received all sick and vacation leave payout; be retired for at least 30 days and received their first retirement check. If you hire a retiree who does not meet these qualifications, then the person is not truly retired.

Currently, about 615 retirees work in PERS-covered positions. If you employ a working retiree, you must fill out a Working Retiree Certification form and file it with MPERA every month. The form is available on the MPERA website under the Publications tab.

PAYROLL REPORTING

Fiscal Year End 2008

Fiscal year end (FYE) is coming up fast. Here are some things to keep in mind for a smooth transition to FY 2009.

MPERA's FYE processing **requires** all June 2008 payroll reports and contributions be received in our office and in a balanced status no later than 3 pm on July 8th. Reports received after July 8th **will not** be reflected on the members' annual statements.

If you have additional June 2008 paydays, contact Shelly or Diana prior to submitting **any** June reports. They will work with you on coordinating the consolidation of paydays within your regular reporting schedule.

Information from amended June payroll reports **may not** be reflected on the members' annual statements.

Do not submit extra buyback payments with your June payroll. A buyback contract allows only one full payment per month. Buyback contracts do not require payments in months when no compensation is received.



Correcting Payroll Errors

MPERA must be informed as soon as possible of many earnings, contributions, or hours incorrectly reported or omitted. To correct the errors, we will need you to send us a memo with following information:

- which payroll report(s) were affected;
- the affected employee's name and social security number;
- previously reported earnings, contributions and hours;
- the corrected totals; and
- the amount to be adjusted.

Only include payment for additional contributions if the correction is for your previous payroll report, otherwise MPERA will bill you any amount due.

MPERA's mission is to efficiently provide quality benefits, education and service to help our plan members and beneficiaries achieve a quality retirement.

Important Information about Refunds

If an employee terminates their employment with you and will not be employed by another agency covered by the same retirement system, the employee has decisions regarding their retirement account.

- If the balance of their account is more than \$1,000, they can either leave the funds with MPERA or withdraw them. This applies to **both** vested and non-vested members.
- If the balance of their account is less than \$1,000 it must be withdrawn.

Vested members are never

required to withdraw their account.

If the terminating employee chooses to withdraw their retirement account, they must complete a "Refund Application".

You must complete your section of the Application including final payday information. The refund will be released following receipt of the final payroll **and** a 30 day break in service.

MPERA asks that you take the necessary steps to make certain the correct information is provided on the final payroll. The final payment must include all accumulated sick and annual

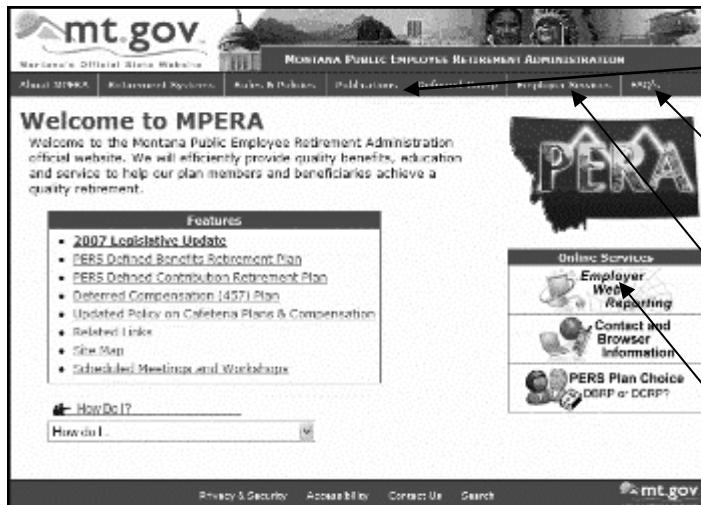
leave and any severance pay. Otherwise MPERA must reprocess the refund resulting in two refund checks, two tax statements and additional expenses.

Starting in January 2008, MPERA can no longer accept an Application form created prior to July 2007. The latest version of the Application is available on the MPERA website at <http://mpera.mt.gov>. Click on the Publications tab and select the Forms link. If you have any questions contact Shelly or Shani.♦

Did You Know?

The MPERA website has all the latest FAQs and the most current forms!

DO NOT withhold PERS contributions from lump sum payouts of vacation, sick and compensatory leave paid **without** termination of employment. (See §19-3-108(1)(a)(v), MCA, effective in 2001.)



- The Publications tab has the most up-to-date forms, brochures and handbooks.
- The FAQs have the most Frequently Asked Questions and answers that employers will find handy.
- The Employer Services tab takes you to the Employer Web Reporting and Contact and Browser Information links
- Employer Web Reporting opens a window to MPERA web reporting home page.

Address Changes

MPERA relies on you, the employer, to provide the correct mailing addresses for your employees.

Up-to-date address information **must** be reported to MPERA monthly. Employers may report address changes more often than monthly if necessary or desired. Address changes may

be reported via the Web Reporting system.

For those agencies that do not have the ability to report on line, please send written notification of any employee address changes.

Contact Shelly for the electronic file layout to begin online submission of employee address information.♦

Visit Our Website at <http://mpera.mt.gov>

A Reminder About Passwords

If your agency reports its payroll on the MPERA website, it is very important to create a secure password.

Remember: Every time you create a new password it must be at least 6 characters in length and must have at least one alpha (a through z) and one numeric (0 through 9) character. Your password cannot be the same as your user name nor can your user name be part of your password. Your username, however, will never change.

Passwords are case sensitive, so be sure your Caps Lock is not on when you are trying to log in!



DIRECTORY OF MPERA

CONTACTS:

Benefit Questions

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